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IDAHO PUBLIC  
UTILITIES COMMISSION

May 16, 2013

**Randy C. Allphin**

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Idaho Public Utilities Commission  
Attn: Kristine A. Sasser  
PO Box 83720  
Boise, ID 83720-0074

RE: CASE NO. IPC-E-13-13

UPDATE TO PUBLISHED AVOIDED COST RATES TO REFLECT AN UPDATED  
NATURAL GAS PRICE FORECAST OF THE U.S. ENERGY INFORMATION  
ADMINISTRATION (EIA) AND AN UPDATED COST OF CAPITAL FOR AVISTA.

We have reviewed the information you have provided in your letter dated May 14<sup>th</sup>, 2013, notifying Idaho Power of revisions to the PURPA published Avoided Cost Rate(s) in accordance with IPUC Order No. 32697 and 32802, specifically the update of the natural gas forecast to include the May 2, 2013 EIA natural gas forecast. Idaho Power concurs that the model and calculations used by the IPUC staff for Idaho Power Company are consistent with IPUC Order No. 32697 and 32802.

In review of the detailed calculations, Idaho Power also observed that there was a minor difference in the calculations in comparison to the previous information provided by the IPUC staff. Idaho Power has contacted the IPUC staff and learned that the previous calculations contained a minor error within an embedded net present value formula. This formula has been corrected in the current calculations and Idaho Power concurs this is appropriate.

Sincerely,



Randy C Allphin  
Energy Contracts Coordinator, Ldr.

cc: Donovan Walker (IPCo)